

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 12

February 7, 2011

SUMMARY OF BILL: Authorizes the Tennessee Education Lottery Corporation (TELC) to sell lottery tickets via debit cards.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$425,700/Lottery for Education Account

Assumptions:

- According to the TELC, 20 lottery jurisdictions currently are authorized to sell lottery tickets via debit cards.
- TELC indicates the amount of lottery tickets sold and the percentage of total sales attributable to debit cards in these 20 jurisdictions are unknown. This is due to retailers being required to deposit all funds (net of prizes and commissions earned), including funds accumulated from cash and debit card sales, into bank accounts maintained by the retailer for the purpose of electronic transfer of funds to the respective lottery.
- According to TELC, the fiscal impact of this legislation is not determinable at this time.
- There are approximately 4,500 retailers in the state authorized to sell lottery tickets.
- Retailers make at least one incremental sale for a one-dollar lottery ticket each day as a direct result of being authorized to sell lottery tickets via debit cards.
- The increase to revenue for the TELC is estimated to exceed \$1,642,500 (4,500 retailers x 1 sale x \$1.00 x 365 days) per year.
- Net lottery proceeds returned to the state for FY10-11 represented approximately 25.92% of net ticket sales.
- The increase of net lottery proceeds to the Lottery for Education Account is estimated to exceed \$425,700 (\$1,642,500 x 25.92%) per year.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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